

ASSEMBLY BILL

No. 2267

Introduced by Assembly Member Eng

February 18, 2010

An act to amend Section 7071.6 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 2267, as introduced, Eng. Contractors: license requirements: bond.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires the board, as condition to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a bond for \$12,500. Except as specified, existing law permits any specified beneficiaries from claiming or recovering the full measure of this bond.

This bill would specify that a material supplier may recover an amount not exceeding \$4,000.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7071.6 of the Business and Professions
- 2 Code is amended to read:
- 3 7071.6. (a) The board shall require as a condition precedent
- 4 to the issuance, reinstatement, reactivation, renewal, or continued
- 5 maintenance of a license, that the applicant or licensee file or have

1 on file a contractor's bond in the sum of twelve thousand five
2 hundred dollars (\$12,500).

3 (b) (1) Excluding the claims brought by the beneficiaries
4 specified in subdivision (a) of Section 7071.5, the aggregate
5 liability of a surety on claims brought against a bond required by
6 this section shall not exceed the sum of seven thousand five
7 hundred dollars (\$7,500). The bond proceeds in excess of seven
8 thousand five hundred dollars (\$7,500) shall be reserved
9 exclusively for the claims of the beneficiaries specified in
10 subdivision (a) of Section 7071.5. However, nothing in this section
11 shall be construed so as to prevent any beneficiary specified in
12 subdivision (a) of Section 7071.5 from claiming or recovering the
13 full measure of the bond required by this section.

14 (2) *With respect to the bond required by this section, a material*
15 *supplier may recover an amount not exceeding four thousand*
16 *dollars (\$4,000).*

17 (c) No bond shall be required of a holder of a license that has
18 been inactivated on the official records of the board during the
19 period the license is inactive.

20 (d) Notwithstanding any other provision of law, as a condition
21 precedent to licensure, the board may require an applicant to post
22 a contractor's bond in twice the amount required pursuant to
23 subdivision (a) until the time that the license is renewed, under the
24 following conditions:

25 (1) The applicant has either been convicted of a violation of
26 Section 7028 or has been cited pursuant to Section 7028.7.

27 (2) If the applicant has been cited pursuant to Section 7028.7,
28 the citation has been reduced to a final order of the registrar.

29 (3) The violation of Section 7028, or the basis for the citation
30 issued pursuant to Section 7028.7, constituted a substantial injury
31 to the public.